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March 19, 1997

RECORDATION NO. 21307 FILED

APR 2 '98

10-01 AM

VIA OVERNIGHT COURIER

Mr. Vernon A. Williams
Secretary
Office of the Secretary
The Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 48 U.S.C. Section 11303(a) are one original executed copy and three photostatic copies of a Memorandum of Railcar Security Agreement, dated as of March 12, 1998, between Freight Car Services, Inc. and National City Leasing Corporation, a primary document as defined in the Commissioner's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed Memorandum of Railcar Security Agreement are:

Secured Party: Freight Car Services, Inc.
2313 Cannon Street
Danville, Illinois 61832

Debtor: National City Leasing Corporation
101 South Fifth Street
Louisville, Kentucky 40202

RECEIVED
SURFACE TRANSPORTATION
BOARD
APR 2 10 01 AM '98

Mr. Vernon A. Williams
March 19, 1998
Page 2

A description of the railroad equipment covered by the enclosed document is set forth in the Memorandum of Railcar Security Agreement.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return three stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 3100, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Memorandum of Railcar Security Agreement, dated as of March 12, 1998 between Freight Car Services, Inc., as secured party, and National City Leasing Corporation, as debtor.

Very truly yours,


Susan G. Lichtenfeld

SGL/vgc
w/encl.

cc: Robert W. Kleinman
Joseph A. McQuade

MEMORANDUM OF RAILCAR SECURITY AGREEMENT

10-01 AM

This Memorandum of Railcar Security Agreement is made and entered into as of March 12, 1998, by and between FREIGHT CAR SERVICES, INC. (hereinafter referred to as "Secured Party") and NATIONAL CITY LEASING CORPORATION (hereinafter referred to as "Debtor").

Pursuant to the Railcar Manufacturing Agreement dated as of March 12, 1998 (the "Manufacturing Agreement") between Secured Party and Debtor, and subject to the terms and conditions therein set forth, Secured Party has agreed to manufacture and sell to Debtor, and Debtor has agreed to purchase from Secured Party, the railcars identified on Schedule A hereto (the "Railcars").

As security for the payment and fulfillment of its obligations to Secured Party under the Manufacturing Agreement pursuant to Section 5 of the Manufacturing Agreement, Debtor granted to Seller a security interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, together with all right, title and interest of Debtor therein and all rights and remedies which Debtor might exercise with respect thereto but for the execution of the Manufacturing Agreement.

As contemplated by the Manufacturing Agreement, Secured Party and Debtor hereby make this Memorandum of Railcar Security Agreement to confirm and perfect Secured Party's security interest in the Railcars. Secured Party and Debtor further acknowledge and confirm that this Memorandum of Railcar Security Agreement is not a summary of the Manufacturing Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Debtor agree that in the event of a conflict between this Memorandum of Railcar Security Agreement and the provisions of the Manufacturing Agreement, the provisions of the Manufacturing Agreement shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

SECURED PARTY:

DEBTOR:

FREIGHT CAR SERVICES, INC.

NATIONAL CITY LEASING CORPORATION

By: Alan W. Morgart
Name: ALAN W. MORGART
Title: CONTROLLER

By: Donald J. Bell
Name: DONALD J. BELL
Title: VICE PRESIDENT

STATE OF ILLINOIS)

COUNTY OF Vermilion)

SS:

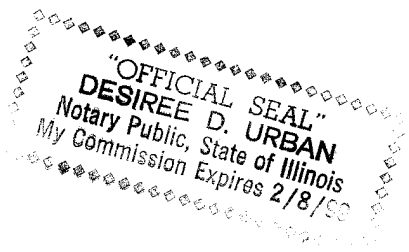
On this 18th day of March 1998, before me personally appeared Alan Morgart, to me personally known, who being duly sworn, says that he is a Controller of FREIGHT CAR SERVICES, INC., a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Desiree D. Urban
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

2-8-99



STATE OF KY)

COUNTY OF JEFFERSON) :SS

On this 16th day of MARCH, 1998, before me personally appeared DONALD J. ZEILLMANN, to me personally known, who being by me duly sworn, says that he is a VICE PRESIDENT of NATIONAL CITY LEASING CORPORATION, a Kentucky corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Brenda Smith
Notary Public

[NOTARIAL SEAL]

My Commission expires:

Notary Public, State at Large, KY
My commission expires Feb. 27, 2000

SCHEDULE A
TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT

120 Aluminum BethGon Coalporter
Railcars bearing road marks and
numbers: EGSX 950001 through EGSX
950120 (inclusive).